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PAID T.R.A.	
Chk #	_____
Amount	<u>25.00 Cash</u>
Rcvd By	<u>JK</u>
Date	<u>4-22-02</u>

Christine McLaughlin

Direct Dial: 202-756-3377

E-mail: cmclaughlin@alston.com

April 17, 2002

Via: FACSIMILE AND UNITED PARCEL SERVICE

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Sir or Madam:

02-00465

Re: Emergency Notice of Discontinuance of Operations

The undersigned, on behalf of CRG International, Inc., d/b/a, Network One ("Network One"), hereby notifies the Authority that, effective April 18, 2002, Network One is ceasing all of its local exchange and interexchange resale operations, due to the lack of funds to continue operating. A formal "Emergency Request" for the discontinuance of Network One's operations was prepared; however, due to the exigencies of this matter, Network One has been unable to finalize that Emergency Request in time.¹ Should that Emergency Request be ready for filing prior to Network One ceasing to do business, it will file the same with the Authority.

Network One's lenders recently terminated its financing. Network One therefore no longer has the necessary funds to continue operations, or to pay the underlying carriers whose services it resells.

Network One's customers were mailed notices of its discontinuance of services late last week. The notices informed customers that Network One's manager and billing agent, OneStar Communications, LLC, and its affiliate, OneStar Long Distance, Inc. (collectively, the "OneStar Companies"), will gladly maintain continuous, uninterrupted services to any Network One customer who requests them. In addition to acting as Network One's manager, the OneStar Companies are the underlying carriers for the

¹ Network One is authorized to provide competitive local exchange and long distance services in all fifty states and the District of Columbia. In the majority of states (all but 14), it has fewer than 100 customers; in 22 states, it has fewer than 10 customers (including three states in which it has no customers).

One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309-3424
404-881-7000
Fax: 404-881-7777

Bank of America Plaza
101 South Tryon Street, Suite 4000
Charlotte, NC 28280-4000
704-444-1000
Fax: 704-444-1111

90 Park Avenue
New York, NY 10016
212-210-9400
Fax: 212-210-9444

3201 Beechleaf Court, Suite 600
Raleigh, NC 27604-1062
919-862-2200
Fax: 919-862-2260

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resold services sold by Network One. The OneStar Companies have agreed to provide services to Network One customers on the same terms and conditions those customers currently receive, and to waive any PIC-change charges that might otherwise be associated with a Network One customer's migration to OneStar. Consequently, any customer choosing that option will notice no change in its existing services. The customers were also informed of their right to choose other carriers for local exchange and/or interexchange services.

The staff of the Public Service Commission of West Virginia (the "WV PSC"), the state in which Network One has its largest customer base by a considerable margin,² has already indicated its support of a proposal substantially similar to that described in the preceding paragraph. In West Virginia, however, customers will not need to contact the OneStar Companies to authorize them to provide service; the WV PSC staff has supported permitting the OneStar Companies to provide uninterrupted service to all Network One customers who do not affirmatively choose another carrier. A copy of the WV PSC staff's memorandum is attached hereto as Exhibit One.

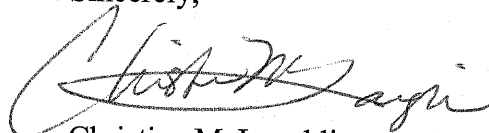
Network One respectfully submits that, due to the exigent circumstances, the procedure which it has followed, and which it requests the Authority to accept, presents the best available solution to ensure that no customer suffers even a temporary loss of services. Network One simply no longer has the financial resources to continue as a going concern, not even for the temporary period required for applications to discontinue services. That inability to continue operations would not, under any circumstances, result in significant harm to the public; as a competitive resale carrier, Network One is not the carrier of last resort for any customer. Consumers have multiple alternative carriers from which to choose, and Network One has never served more than a small fraction of the population it is authorized to serve. Nonetheless, in order to ensure that consumers are not inconvenienced by Network One's inability to continue operating, the OneStar Companies and Network One have cooperatively taken steps to ensure that Network One's customers can migrate seamlessly to the networks of Network One's underlying carriers, if those customers so desire. Network One respectfully submits that this avoidance of service disruption to consumers serves the public interest.

Thank you for your attention to this matter. If you have any questions or require additional information, kindly contact the undersigned.

² To the best of the undersigned's information and belief, Network One had approximately 12,350 customers nationwide as of April 1, 2002, approximately 5,731 of whom were located in West Virginia.

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Sincerely,



Christine McLaughlin

Attachments

cc: Dana Frix, Esq., O'Melveny & Myers LLP
Richard Dyer, Esq., O'Melveny & Myers LLP
William Boone, Esq., Alston & Bird LLP

CM:vb
WDC01/93245v1



April 2002

**IMPORTANT INFORMATION REGARDING YOUR TELEPHONE SERVICE: READ AT ONCE
YOUR TELEPHONE SERVICE PROVIDER, NETWORK ONE, IS CEASING OPERATIONS
EFFECTIVE APRIL 18, 2002**

CRG International, Inc. ("Network One") regrets to inform you that we are discontinuing all of our local and long distance service. **Network One will cease to provide service to all of its local and long distance customers on April 18, 2002. However, your service will continue to be provided by OneStar.**

OneStar has been acting as the underlying long distance carrier for Network One since September of 2001. When Network One ceases service, OneStar will provide service to you at the rates, terms, and conditions you currently receive with Network One. You should not incur a PIC (Primary Interexchange Carrier) change charge as a result of this transition. Additional correspondence is also enclosed regarding the migration of your service to OneStar. If you are interested in choosing a carrier other than OneStar to provide local and/or long distance service to you, a list of carriers serving your area can generally be found in the front of your local phone book. You are under no obligation to obtain services from OneStar; however, if you wish to choose another carrier, you must arrange for service directly from that carrier.

Please note that the invoice that you have received in this mailing may have arrived at a different time than it usually does. Due to the circumstances outlined above, this timing has been necessary. Payment should be sent to the same address you have used previously. This address is listed on the remittance advice.

The Federal Communications Commission ("FCC") will normally authorize this proposed discontinuance of service, unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to the Federal Communication Commission, Washington, D.C. 20554, referencing the §63.71, application of CRG International, Inc. Comments should include specific information about the impact of this proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service.

We thank you for your past business. Should you have any questions or need assistance to transition to a new carrier, please call 1-800-482-0000.

Network One • 7100 Eagle Crest Boulevard • Evansville, Indiana 47715



April 2002

IMPORTANT INFORMATION REGARDING YOUR TELEPHONE SERVICE: READ AT ONCE

NETWORK ONE IS CEASING OPERATIONS EFFECTIVE APRIL 18, 2002

TO CONTINUE SERVICE WITHOUT ANY INTERRUPTION, CALL ONESTAR TODAY AT 1-877-991-2455

Your current service provider, **Network One**, is ceasing its business operations effective April 18, 2002. In order to continue telephone service without interruption, **OneStar**, the long distance underlying carrier who has been providing service to Network One, is available to serve your telecommunications needs today. If you have already changed your service to OneStar, there is no need to take any action at this time. You are under no obligation to obtain services from OneStar, and may choose to receive services from an alternate carrier. If you wish to choose another carrier, you must arrange for service directly from that carrier. You may still change carriers after April 18, 2002; however, your new carrier may impose charges for such change.

OneStar will match your former Network One plan. You will receive the same rates and experience no disruption in service. Upon requesting service from OneStar, your order will be processed immediately although the transition may take up to seven business days to complete, and will include all services, which you currently have with Network One, including local and/or toll (intrastate, interstate, and international) services. Any services not currently provided by Network One will be unaffected. You should not incur a PIC (Primary Interexchange Carrier) change charge as a result of this transition. Should any PIC related charges appear on your bill in error, please notify OneStar and your account will be credited accordingly. To request such reimbursement, contact OneStar at 1-800-482-0000.

We believe you will enjoy and benefit from being a OneStar customer. OneStar is an integrated communications provider headquartered in Evansville, Indiana. Beginning in 1982, our product portfolio includes a full range of voice and data services for commercial and residential customers, while providing a single point of contact through a single bill. OneStar can also provide a variety of value-added services designed to save you money and provide additional conveniences for your home or business.

The timing of your bill may change. Should you transition to OneStar, you may receive your bill at a different time during the month. Be aware that it will have a different look and feel with the OneStar logo. Also, please note that OneStar billing will only include charges for services from the date of transfer forward. Local services are billed one month in advance.

TO SWITCH TO ONESTAR, PLEASE CONTACT US TODAY AT 1-877-991-2455.

Customer service representatives will be happy to assist you in the transition to OneStar.

OneStar's primary focus is consistent customer satisfaction! OneStar will work hard to continually exceed your expectations, now and in the future. Customer service representatives look forward to assisting you with additional product information, resolving open issues or concerns, and introducing new service offerings to you all while providing you the most professional customer service in the industry.

In the future, should any changes be made to the service, rates, terms and conditions of your OneStar service, you will be notified via mail or you may also visit our Customer Notices section on our website at onestarld.com.

Again, if you have recently switched your service to OneStar, please disregard this notice. We appreciate your patronage and are glad to have you aboard as a OneStar customer!

Should you have any questions regarding this transfer, please contact OneStar's Customer Service Department toll-free at 1-800-482-0000.

www.onestarld.com

OneStar • 7100 Eagle Crest Boulevard • Evansville • Indiana 47715 • (800) 482-0000

RECEIVED

2002 APR 11 PM 4:52

W. VA. COM. SERVICE
COMMISSION
SECRETARY'S OFFICE

FURTHER FINAL JOINT STAFF MEMORANDUM

TO: SANDRA SQUIRE
Executive Secretary

DATE: April 11, 2002

FROM: PATRICK W. PEARLMAN *PWP*
Staff Attorney

RE: CASE NO. 01-1172-T-PC-X, ONESTAR COMMUNICATIONS, LLC.,
ONESTAR LONG DISTANCE, INC. and CRG INTERNATIONAL (NETWORK
ONE)

By Recommended Decision entered March 14, 2001, the Commission's Division of Administrative Law Judges (ALJs) approved a transaction whereby OneStar Communications, LLC. (OneStar) would have acquired the assets of OneStar Long Distance, Inc. (OneStar LD) and CRG International, d/b/a Network One (Network One), including Network One's customers. Pursuant to a March 11, 2001, agreement between OneStar LD and Network One, OneStar has provided much of the account service -- billing, sales, and customer service -- for Network One's customers. In accordance with this arrangement, OneStar LD has obtained and maintained the requisite account information for these Network One customers.

Before the Recommended Decision could become final, Network One's financial difficulties prevented the parties from consummating the transaction approved by the ALJ. The parties (OneStar, OneStar LD and Network One) filed a letter with the Commission on April 3, 2002, requesting that the Commission stay the Recommended Decision becoming a final order of the Commission. An order staying the Recommended Decision was entered by the Commission on April 3, 2002.

Subsequently, Legal Staff and counsel for the parties have discussed issues relating to the migration of Network One's customers to either OneStar or OneStar LD as an interim measure that will ensure that these customers retain local and interexchange telecommunications service while Network One begins the process of discontinuing its business and liquidating its assets pursuant to Chapter 7 of the U.S. Bankruptcy Code. Legal Staff understands that the Chapter 7 filing has not been made yet, but will likely be made early next week.

In accordance with the parties' discussions with Legal Staff, the parties filed an emergency request on April 11, 2002, seeking Commission approval of a plan to: (1) migrate Network One's customers to OneStar or OneStar LD and (2) provide for OneStar or OneStar LD to continue serving such customers while the customers decide whether to continue service with OneStar or select an alternate carrier for their service. Under the proposed plan:

- Network One's customers – 5,731 local and/or interexchange customers in all – would immediately be migrated to OneStar or OneStar LD.
- OneStar or OneStar LD immediately assume the responsibility of providing these customers with telephone service, pending either a decision to switch providers by the customer or action by the Bankruptcy Court affecting these customers.
- No assets of Network One are actually being transferred to OneStar or OneStar LD, or are otherwise being impaired as a result of the migration plan proposed by the parties.
- OneStar or OneStar LD will continue providing service on behalf of Network One's customers in the same manner in which OneStar has been providing such service pursuant to the March 2001, agreement.
- OneStar or OneStar LD will continue providing service on behalf of Network One's customers consistent with the rates, terms and conditions of service those customers receive from Network One, to the greatest extent possible. Customers with term contracts will continue on such plans, except that they are free to terminate their service at any time, without penalty, regardless of any renewal provision of such contract or otherwise.
- The parties have mailed joint notices to Network One's customers notifying them of the circumstances and the fact that, unless or until the customer changes carrier, either OneStar or OneStar LD will be providing service for the customer.
- OneStar and OneStar LD will not assess any preferred carrier change charges (PICs) against Network One customers, although such customers may be subject to PICs if they select a carrier other than OneStar or OneStar LD. Moreover, Network One customers with PIC freezes will be migrated to OneStar or OneStar LD and may be contacted by a customer service representative in order to facilitate the migration.
- OneStar or OneStar LD will file an adoption notice, consistent with C.S.R. § 150-2-14.1 et seq., adopting the terms and conditions of Network One's local and interexchange service tariffs.

Legal Staff has reviewed the parties' emergency request and the attached notices, and they are consistent with Legal Staff's suggestions and recommendations during the course of several conference calls among the parties and Staff. Legal Staff recommends that the Commission grant the emergency request, as soon as possible, in order to allow the parties to proceed without delay to migrate Network One's customers. The proposed migration of customers does not represent the ideal, but the circumstances do not allow for an ideal plan to be implemented before Network One ceases operations. In Legal Staff's opinion, the migration will be virtually transparent to these customers. Customers will receive the same service, at the same rates and terms, and will not lose local or interexchange service while Network One proceeds to make its bankruptcy filing. Moreover, those customers will retain the freedom to select alternate carriers after their service has been migrated to either OneStar or OneStar LD. Finally, Legal Staff notes that denial of the parties' emergency request will very likely result in thousands of West Virginia customers losing dial tone when Network One shuts down all operations – which Staff has been informed will almost certainly happen in a matter of days.

PWP/s

CWS CWS

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